

AMENDED IN ASSEMBLY MAY 20, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1508

Introduced by Assembly Member Torrico

February 27, 2009

An act to add and repeal Sections 17052.55 and 23655 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1508, as amended, Torrico. Income and corporation taxes: credit: lending employees to schools.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, for taxable years beginning on or after January 1, 2010, and before January 1, 2013, allow a credit under both laws in an amount equal to 25% of the amount of qualified expenses paid, not to exceed a specified amount, or incurred in connection with lending a qualified employee to a Title I public school, as defined, for the purpose of assisting in the teaching of mathematics or science, as provided. *The bill also would require the Legislative Analyst's Office to submit a report to the Legislature evaluating the credit, as provided.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17052.55 is added to the Revenue and
2 Taxation Code, to read:
3 17052.55. (a) For each taxable year beginning on or after
4 January 1, 2010, and before January 1, 2013, there shall be allowed
5 as a credit against the “net tax,” as defined in Section 17039, an
6 amount equal to 25 percent of the amount paid or incurred during
7 the taxable year for qualified expenses in connection with lending
8 a qualified employee to a Title I public school for the purpose of
9 assisting in the teaching of mathematics and science.
10 (b) For purposes of this section:
11 (1) “Qualified expenses” means both of the following:
12 (A) Qualified employee expenses paid by the taxpayer associated
13 with assisting in the teaching of mathematics and science at a Title
14 I public school, limited to expenses for teaching supplies, class
15 materials, and equipment.
16 (B) Qualified employee wages paid by the taxpayer for time
17 spent in a classroom assisting in the teaching of mathematics and
18 science at a Title I public school. *For purposes of this*
19 *subparagraph, “wages” means those wages subject to withholding*
20 *under Chapter 2 (commencing with Section 13020) of Division 6*
21 *of the Unemployment Insurance Code.*
22 (2) “Qualified employee” means an employee whose
23 employment specialty includes mathematics or science.
24 ~~(3) “Title I public school” means any high school in the state~~
25 ~~that is a part of a public school district in which at least 40 percent~~
26 ~~of the children in the school attendance area are from low-income~~
27 ~~families or at least 40 percent of the students enrolled are from~~
28 ~~low-income families eligible to receive federal Title I funds.~~
29 (3) *“Title I public school” means any public high school that*
30 *is classified as a Title I school under Chapter 70 (commencing*
31 *with Section 6301) of Title 20 of the United States Code.*
32 (4) “Mathematics” means instruction designed to develop
33 fluency in basic computational skills and an understanding of
34 mathematical concepts and mathematical reasoning and problem
35 solving, including, but not limited to, number sense, algebraic

functions, geometry and other measurement functions, statistics, data analysis, probability analysis, and quantitative concepts. “Mathematics” includes, but is not limited to, courses in algebra I, algebra II, linear algebra, calculus, geometry, trigonometry, mathematical analysis, probability and statistics, and advanced probability and statistics.

(5) “Science” means instruction designed to develop skills and procedures for the systematic pursuit of knowledge that includes, but is not limited to, problem solving and recognition, the collection of data through observation and experiment, and the formulation and testing of hypotheses. “Science” includes, but is not limited to, courses in biology, life science, physical science, physics, chemistry, geoscience, health science, and computer science.

(c) A credit shall be allowed under this section only if a school district governing board certifies by resolution that the employee is qualified to assist in the teaching of mathematics and science, prior to the employee beginning to assist in the teaching of mathematics and science, and a Title I public school issues a service record to the taxpayer certifying receipt of the services and compliance with the requirements of subdivision (e). That service record shall contain the employee’s name, dates of teaching service, number of teaching hours, and a verification signature from an authorized agent or designee of the high school.

(d) No deduction shall be allowed to a taxpayer for that amount of qualified expenses for which a credit is allowed to that taxpayer under this section.

(e) No credit shall be allowed under this section with respect to the lending of a qualified employee to a high school unless both of the following apply:

(1) The employee does not supplant, or otherwise replace, any teacher at the school.

(2) The taxpayer makes charitable contributions including, but not limited to, classroom materials, resources, equipment, or facilities *in excess of the taxpayer’s qualified expenses*.

(f) The maximum amount allowable as a credit to the taxpayer for qualified expenses shall not exceed the total amount of charitable contributions made by the taxpayer to the school for that taxable year *in excess of the taxpayer’s qualified expenses for that taxable year*.

(g) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(h) By November 1, 2012, the Legislative Analyst’s Office shall submit a report, *for each calendar year in which the credit is operative*, to the Legislature, including the Chairpersons of the Assembly and Senate Education Committees and the Chairpersons of the Assembly and Senate Revenue and Taxation Committees, on the evaluation of the tax credit established pursuant to this section, including, but not necessarily limited to, the number of ~~taxpayer’s~~ *taxpayers* utilizing the tax credit, the identity of those taxpayers, and the total dollar amount of tax credits issued per year.

(i) This section shall remain in effect only until December 1, 2013, and as of that date is repealed.

SEC. 2. Section 23655 is added to the Revenue and Taxation Code, to read:

23655. (a) For each taxable year beginning on or after January 1, 2010, and before January 1, 2013, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to 25 percent of the amount paid or incurred during the taxable year for qualified expenses in connection with lending a qualified employee to a Title I public school for the purpose of assisting in the teaching of mathematics and science.

(b) For purposes of this section:

(1) “Qualified expenses” means both of the following:

(A) Qualified employee expenses paid by the taxpayer associated with assisting in the teaching of mathematics and science at a Title I public school, limited to expenses for teaching supplies, class materials, and equipment.

(B) Qualified employee wages paid by the taxpayer for time spent in a classroom assisting in the teaching of mathematics and science at a Title I public school. *For purposes of this subparagraph, “wages” means those wages subject to withholding under Chapter 2 (commencing with Section 13020) of Division 6 of the Unemployment Insurance Code.*

(2) “Qualified employee” means an employee whose employment specialty includes mathematics or science.

1 ~~(3) “Title I public school” means any high school in the state~~
2 ~~that is a part of a public school district in which at least 40 percent~~
3 ~~of the children in the school attendance area are from low-income~~
4 ~~families or at least 40 percent of the students enrolled are from~~
5 ~~low-income families eligible to receive federal Title I funds.~~

6 (3) *“Title I public school” means any public high school that*
7 ~~is classified as a Title I school under Chapter 70 (commencing~~
8 ~~with Section 6301) of Title 20 of the United States Code.~~

9 (4) “Mathematics” means instruction designed to develop
10 fluency in basic computational skills and an understanding of
11 mathematical concepts and mathematical reasoning and problem
12 solving, including, but not limited to, number sense, algebraic
13 functions, geometry and other measurement functions, statistics,
14 data analysis, probability analysis, and quantitative concepts.
15 “Mathematics” includes, but is not limited to, courses in algebra
16 I, algebra II, linear algebra, calculus, geometry, trigonometry,
17 mathematical analysis, probability and statistics, and advanced
18 probability and statistics.

19 (5) “Science” means instruction designed to develop skills and
20 procedures for the systematic pursuit of knowledge that includes,
21 but is not limited to, problem solving and recognition, the collection
22 of data through observation and experiment, and the formulation
23 and testing of hypotheses. “Science” includes, but is not limited
24 to, courses in biology, life science, physical science, physics,
25 chemistry, geoscience, health science, and computer science.

26 (c) A credit shall be allowed under this section only if a school
27 district governing board certifies by resolution that the employee
28 is qualified to assist in the teaching of mathematics and science,
29 prior to the employee beginning to assist in the teaching of
30 mathematics and science, and a Title I public school issues a
31 service record to the taxpayer certifying receipt of the services and
32 compliance with the requirements of subdivision (e). That service
33 record shall contain the employee’s name, dates of teaching service,
34 number of teaching hours, and a verification signature from an
35 authorized agent or designee of the high school.

36 (d) No deduction shall be allowed to a taxpayer for that amount
37 of qualified expenses for which a credit is allowed to that taxpayer
38 under this section.

(e) No credit shall be allowed under this section with respect to the lending of a qualified employee to a high school unless both of the following apply:

(1) The employee does not supplant, or otherwise replace, any teacher at the school.

(2) The taxpayer makes charitable contributions including, but not limited to, classroom materials, resources, equipment, or facilities *in excess of the taxpayer's qualified expenses*.

(f) The maximum amount allowable as a credit to the taxpayer for qualified expenses shall not exceed the total amount of charitable contributions made by the taxpayer to the school for that taxable year *in excess of the taxpayer's qualified expenses for that taxable year*.

(g) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and the succeeding seven years if necessary, until the credit is exhausted.

(h) By November 1, 2012, the Legislative Analyst's Office shall submit a report, *for each calendar year in which the credit is operative*, to the Legislature, including the Chairpersons of the Assembly and Senate Education Committees and the Chairpersons of the Assembly and Senate Revenue and Taxation Committees, on the evaluation of the tax credit established pursuant to this section, including, but not necessarily limited to, the number of ~~taxpayer's taxpayers~~ utilizing the tax credit, the identity of those taxpayers, and the total dollar amount of tax credits issued per year.

(i) This section shall remain in effect only until December 1, 2013, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CORRECTIONS:

Text—Page 4.

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